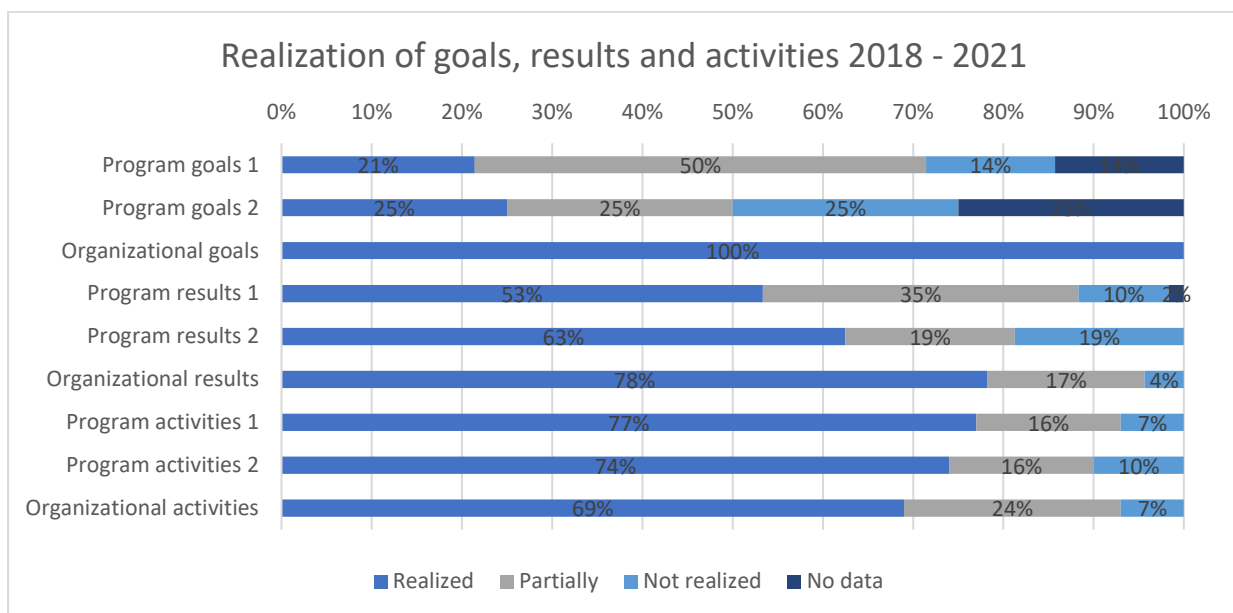


## REPORT ON THE REALIZATION OF STRATEGIC PLAN 2018-2021

NALED has successfully implemented the Strategic plan for the period 2018-2021. Major impact was achieved on a number of policies related to improving the regulatory and institutional framework for doing business, strengthening the capacity and responsibilities of public administration, while NALED has significantly grown in organizational terms and further strengthened its position in the market.

Over the previous four years, 74% of all goals were fully or partially implemented, as well as 88% of the results. On average, 92% of all planned activities per year were implemented, despite external challenges, such as the COVID-19 epidemic.



### PROGRAM GOALS AND RESULTS

In terms of program activities, more than 60% of goals have been achieved, whose key indicators are presented in the table

Data is not available for 20%, while 19% of the set goals for the 2018 -2021 period are not realized, including:

- Increasing the City of Belgrade efficiency in issuing construction permits from 68% to 85% by 2021.
- Establishing an electronic system for submitting and processing applications for at least three groups of incentives in agriculture by 2021.
- Increased value of the Regulatory Index of Serbia by at least 25% in 2020/2021 compared to 2016/17

<b>PROGRAM GOAL 1 – IMPROVING THE REGULATORY AND INSTITUTIONAL FRAMEWORK FOR DOING BUSINESS</b>		
STRATEGIC GOAL P1 SC1: REDUCED INFORMAL ECONOMY AND IMPROVED TAX SYSTEM	The share of shadow economy in GDP reduced by 2 percentage points by the end of 2021 compared to 2017	No data
	At least 10 non-tax levies abolished/modified by the end of 2021	Partially implemented
	Streamlined at least 15 administrative procedures by 2021	Implemented
STRATEGIC GOAL P1 SC2: IMPROVED E-GOVERNMENT AND E-COMMERCE	At least 40% of citizens and 85% of businesses use e-government services by 2021	Partially implemented
STRATEGIC GOAL P1 SC3: PROGRESS IN RESOLVING PROPERTY ISSUES AND IMPROVING PLANNING AND CONSTRUCTION	Established electronic platform for registration of property rights by 2019	Implemented
	Established e-system for spatial and urban planning by 2021	Partially implemented
	Increased permitting efficiency from 68% to 85% in Belgrade by 2021	Pending
IMPROVED CONDITIONS FOR THE DEVELOPMENT OF AGRICULTURE AND FOOD INDUSTRY	A Joint Group of the Ministry established as a mechanism for permanent dialogue with businesses, holding meetings at least twice a year in the period 2019-2021	Partially implemented
	Electronic system for registration of agricultural holdings established by the end of 2019	Partially implemented
	Electronic system for submission and processing of applications for at least three groups of incentives in agriculture established by 2021	Pending
STRATEGIC GOAL P1 SC5: IMPROVED CONDITIONS FOR THE DEVELOPMENT OF THE HEALTH SECTOR	A Joint Group of the Ministry of Health and the Ministry of Economy established as a mechanism of permanent public-private dialogue, holding at least two meetings a year in the period 2019-2021.	Implemented
STRATEGIC GOAL P1 SC6: IMPROVED INTERNATIONAL COMPETITIVENESS AND REGIONAL COOPERATION	Serbia ranks as the 30th in the World Bank's Doing Business List for 2021.	No data
STRATEGIC GOAL P1 SC7: IMPROVED CONDITIONS FOR ENVIRONMENTAL PROTECTION	Improved waste management system for special waste streams, packaging waste and food waste	Partially implemented
	Improved and adopted strategic framework for environment management, waste management strategy, Circular Economy Program and better defined environmental compensation	Partially implemented
<b>PROGRAM GOAL 2 - STRENGTHENING CAPACITY AND ACCOUNTABILITY OF PUBLIC ADMINISTRATION</b>		
STRATEGIC GOAL P2 SC1: IMPROVED KNOWHOW AND INSTITUTIONAL FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT	At least 60% of surveyed representatives of businesses are satisfied with the services and support they received from local self-government and state institutions, in 2021	No data
STRATEGIC GOAL P2 SC2: IMPROVED LEGISLATIVE PROCESS AND QUALITY OF REGULATIONS	The regulatory index of Serbia increased by at least 25% in 2020/2021 compared to 2016/17	Pending
	Local governments are by 30% more frequently consulting businesses in the decision-making process according to the BFC SEE certification indicator by 2021	Implemented
STRATEGIC GOAL P2 SC3: IMPROVED EU INTEGRATION PROCESS IN AREAS OF ECONOMIC IMPORTANCE	Annual progress reports of the European Commission indicate progress in meeting the economic criteria for membership and readiness for membership given the chapters relevant to the business environment, 2018-2021.	Partially implemented

In the period 2018-2021, we managed to produce a large number of program results concerning the suppression of the shadow economy, e-Government and e-commerce, property and planning and construction, health, food and agriculture, environment, as well as concerning the improvement of regional cooperation and international competitiveness. **As many as 88% of the results aimed at improving the regulatory and institutional framework for business (Program Goal 1) were achieved partially or completely, and the most important of them are as follows:**

- **Continuous implementation of the National Program for Countering Shadow Economy:** More than 70% of measures referred to in Action Plans for the Suppression of the Shadow Economy have been implemented, the most important of which are the introduction of the e-Inspector system, the implementation of misdemeanor plea agreements, the introduction of e-Invoices and e-Fiscalization, the automation of flat-rate taxation, the installation of POS terminals at LGU counters, the adoption of a new Public Procurement Law; the implementation of the competition Champions of Cashless Payments (2019), Champions of Entrepreneurship (2020), and sweepstakes Take a Receipt and Win (2018, 2020, 2021)
- **Improved inspection oversight and prosecution for offenses and crimes concerning the shadow economy:** 79% of national inspectorates use the system – e-Inspector, and the percentage of announced controls in 2020 amounted to 20%, and increased to 22% in 2021
- **Improved predictability of business conditions and reduced tax and non-tax burden on businesses:** Tax assessments for those who pay flat-tax are issued within 15 days from the beginning of the business year, of after the registration of the entity, and the effective burden relating to net earnings is reduced from 63.1% in 2018 to 61.3% in 2021 (decrease of 1.8 pp).
- **Support for the development of small and medium enterprises and entrepreneurship:** launched a three-year project to support innovation and digital transformation worth 5 million USD
- **New e-government services important for businesses and citizens established:** Five new e-services for businesses introduced: registration of seasonal workers by means of an application, calculator for flat-tax rates, e-Invoices, e-Counter for registration of property rights, LPA
- **Improved procedure for registration of rights with the Cadaster:** The average time required for registration of real estate with the Cadaster for all new procedures has been reduced to 5 days, and registration of property rights is carried out in one place - with a notary public
- **Improved and harmonized conditions for employment of seasonal labor force in Serbia and the region:** An average of 30,000 seasonal workers are employed annually through a simplified system, and Montenegro and Northern Macedonia are working on the introduction of this system
- **Improved public-private dialogue and legal framework concerning health care:** the Coordination body for the digitalization of the healthcare prepared the Program of the Digitalization of the Healthcare System of the Republic of Serbia for the period 2022 – 2026
- **Establishment of a sustainable chain of glass waste management:** Total collected and recycled quantities of glass almost doubled (pilot project in Nis)
- **Improving conditions for the collection and treatment of food waste:** A rulebook defining the collection and treatment of food waste has been prepared
- **Improved business conditions in the areas covered by the World Bank's Doing Business List:** More than five regulations relevant to Doing Business, energy, construction and taxation have been adopted and amended
- **Improved local conditions for doing business through the implementation of the BFC SEE program:** participated in the certification process according to the III edition of the BFC SEE standard
- **Exchange of knowledge and replication of best regulatory practices in Southeast Europe through the Regional Platform for Business Friendly Environment;** Established the Regional BFE SEE Platform and in cooperation with certified local governments and businesses implemented more than 5 regional projects aimed at improving municipal services

When it comes to program results that should contribute to strengthening the capacity and accountability of public administration (Program Goal 2), **the level of fulfilment is slightly lower - 81%** and we would single out the following:

- **Improved level of know-how and skills of public servants concerning local economic development:** implemented MasterClass training for newly elected mayors on local economic development and the role of municipal leadership in this process. More than 70 local government officials underwent training on standardization of municipal services within the BFC SEE certification program, and experts from the Executive Office held trainings on public finances and public procurement
- **Improved conditions for local economic development:** NALED developed several indices and methodologies for ranking local governments based on how well they promote entrepreneurship and handle cashless payments, building permits, e-ZUP, electronic system for seasonal workers, as well as local index for e-Government
- **Improved accountability of institutions and analytical basis for the adoption of regulations of importance for business:** In the period from 2018 to 2020, an average of 14 recommendations from the Grey Book were resolved (14%), and more than five reforms were implemented based on NALED's analyzes
- **Sustainable public-private dialogue established to improve conditions for doing business:** More than 70% of regulations governing the business environment are adopted through public debate, and more than 50% of government working groups for drafting/amending systemic regulations concerning the economy and business environment include representatives of businesses and the professional public
- **Improved reporting of EU institutions on economic reforms:** The European Commission's annual progress reports reflect 20% of the comments made by NALED, 8 comments related to strengthening the independence of the State Aid Control Commission, and 16 comments equalizing the level of excise duties on spirits

## ORGANIZATIONAL GOALS AND RESULTS

The organization, with its successes, innovations and adaptability, has created a demand for additional engagement among members and state institutions and gathered support from a new circle of donors to increase its scope of activities. This is corroborated by the fact that **all organizational goals set for the period 2018-2021 have been achieved.** Below we provide their overview.

### Organizational goal 1: Strengthened membership and governing bodies of NALED

NALED has more than 300 members, of which at least 40% actively participate in working and governing bodies of the association; and more than 90% of members are satisfied with NALED's work and results. Within this goal, the following was achieved:

- **Increased number of responsible and dedicated members:** at the end of 2021 NALED had 301 member, the percentage of membership fees totaled 90-95% annually, with 75% collection rate in the first quarter, and the outflow of members was less than 7% per year
- **Members actively contribute to the goals of NALED:** more than 60% of the members attend the Annual Assembly sessions, the Board of Directors meets at least once every three months, and other governing bodies of NALED at least twice a year. There are 6 functional associations and the BFC Club that deal with specific areas relating to the improvement of the business environment, and members co-finance at least one NALED event and one project per year.
- **The Management Board and other bodies of NALED recognized by the general public as credible advocates of positive reforms:** Members of governing bodies and alliances speak on behalf of NALED on more than one event per year and are included in on average more than 600 media releases concerning NALED

**Organizational goal 2: NALED's Medium-Term Sustainability ensured**

provided at least one multi-year and multi-million project that contributes to the medium-term sustainability of the organization.

**At least 1.5 million euros per year have been provided** through multi-year projects from major development donors, awarded in the form of grants, as well as through several major projects **worth over one million euros**, implemented with the support of business donors, including members. **NALED's sources of funding are diversified**, so that the structure of funding is as follows: 13.5% comes from membership fees, 56.4% from projects (grants) and 30.1% from services / tenders on an annual basis. This led to the rapid growth of the organization and provided funding for the executive office

**Organizational goal 3: Organizational, human and technical capacities of the Executive Office strengthened**

NALED has at least 80 employed professionals in the Executive Office by the end of 2021, who are trained and have adequate working conditions; and at least 80% of employees are satisfied with the type of work and working conditions at NALED. Observing results, the following has been achieved:

- **The organizational structure, profile and number of employees in the Executive Office are appropriate for the implementation of the goals of organization:** the transition from functional to matrix division of labor is carried out and at least 80% of planned employment and engagement of consultants is secured annually
- **Established mechanism of personal and professional development and care for permanent employees:** The Executive Office has a developed human resources management function, at least 80% of development activities planned within the annual performance evaluation process is implemented, and unplanned turnover of permanent employees up to 5% per year;
- **Developed a functional information system and internal financial reporting (NICE software),** with a high degree of data protection that provides insight into financial flows based on membership fees and projects in real time;
- **EO's workspace functional and sustainable:** While NALED is still looking for a long-term, functional office that will meet the needs of the organization and employees, it established its Lab, and was able to organize more than 200 events per year
- **Digitalization and introduction of international business standards:** Implemented ISO 9001 - quality management system, ISO 27001 - information security and harmonized operations with the General Data Protection Regulation – GDPR
- **Provided conditions for the office to continue its operations in emergencies,** while enabling hybrid activities once the emergency is over
- **Improved cooperation, communication and exchange of information among those engaged in EO:** Developed and standardized internal communication mechanisms used by all employees

**Organizational goal 4: Research and analytical capacity of the Executive Office improved**

NALED's expert team conducts at least 20 surveys and analyzes a year, which affect reforms in Serbia. **NALED members, national and international institutions use NALED research and business environment analysis in decision-making:** More than three new reforms have been launched based on NALED research, the publication database is among the 10 most visited pages among members on the NALED website, and the result of NALED's research and analysis cited in at least 100 media publications a year

**Organizational goal 5: Improved communication with target audiences**

NALED is the most cited independent association and think-tank in Serbia.

- **NALED has a strategic approach to building the desired image as a professional and independent organization working in the general interest:** Implemented at least 80% of the budget and planned communication activities in accordance with the strategies, and 40% of citizens who have heard of NALED and have an opinion, evaluate think favorably of NALED

- **NALED campaigns and events initiate public-private dialogue and reforms:** At least 10 events annually include the Prime Minister and /or ministers, ambassadors and leaders of the international community, NALED events have registered more than 3,000 participants from the private, public and civil sectors annually and the relevant institutions have accepted at least five reform initiatives launched by NALED (Reform concerning flat-rate taxation, e-Counter, Seasonal employment reform, Inspection reform (e-Inspector, Call center, amendments to the law), e-Fiscalization and e-Invoices, e-Auction, e-Commerce (seal cancellation, electronic document, e-Archiving)
- **Improved existing and developed new channels of communication with members, partners and general public:** Increase in the number of followers on social media by 20% annually, and on average 2.7 million visits of NALED websites annually
- **Developed and improved media relations:** On average 5,000 media reports per year, and 99% of the reports include positive or neutral reporting about NALED

**Organizational goal 6: Developed and strengthened network of partners at national, regional and European level**

NALED is formally recognized as a partner by at least 20 state and international institutions and relevant associations by the end of 2021

- **Improved and expanded cooperation with state institutions in implementing reforms:** NALED has included at least 5 state institutions in the implementation of projects for better conditions for doing business, and annually NALED participates in at least 10 working groups of the Government for drafting laws and strategies
- **Established and improved cooperation with related local and international organizations in the country/region/EU:** NALED cooperates and exchanges knowledge with at least 5 domestic and foreign civil society organizations dealing with the business environment (joint projects with CEP, KPMG, joint initiatives with AmCham, PKS, SCTM, Joint projects with foreign partners CoPlan Albania, CRPM Macedonia, PKCG)